

California Department of Corrections

Financial Information Memo

SUBJECT:	FIM NUMBER:
JOINT VENTURE ROOM AND BOARD REIMBURSEMENT ACCOUNTING	2005-02
REFERENCES:	DATE: February 15, 2005
Department Operations Manual, Article 40 Penal Code, Section 2717.8 Accounting Systems Bulletin 1991-5	

DISTRIBUTION

Associate Wardens, Business Services
Joint Venture Program
Budget Management Branch
Regional Accounting Offices
Accounting Management Branch

PURPOSE

This Financial Information Memo (FIM) identifies change to California Department of Corrections (CDC) accounting procedures for room and board reimbursement from inmates participating in Joint Venture Program (JVP) employment. It applies only to the room and board deduction from an inmate's JVP pay, and does not change the current procedures for other deductions taken from that pay. All other accounting aspects of the JVP activity should continue under existing operating procedures.

BACKGROUND

The JVP allows employers to produce goods or services within a prison facility and employ inmates. A JVP in an institution operates under a contract between the institution and the employer.

As indicated above, the JVP requires several specific deductions from an inmate's wages earned during employment by the JVP employer. The individual deductions are identified in Penal Code Section 2717.8.

One of the deductions consists of a reasonable charge for room and board, which shall be remitted to the Department of Corrections. The specific room and board deduction is identified within the contract with the employer.

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DISCUSSION

The CDC contracts with Cashless Systems, Inc. (CSI), a financial services firm, to process all payroll activity for JVP employers. When processing JVP payroll, CSI distributes the deductions as required by the applicable regulations. Headquarters JVP staff administer the financial services contract.

Currently, the contract requires that CSI remit room and board deductions to the Headquarters Accounting Services Section (HASS) for deposit to the Central Office General Fund as a reimbursement. However, the respective institution incurs the cost for housing an inmate.

This procedure changes the process to provide that CSI will remit room and board deductions to the respective Regional Accounting Office (RAO) for each institution that maintains a JVP operation. The deduction sent to institutions will reimburse the Facilities Operations Component (21.20.050).

In cases where the JVP employer operates in a Community Correctional Facility (CCF), the room and board deductions shall be remitted to HASS, as the Headquarters organization accounts for CCF operations. Deductions sent to CCF will reimburse the CCF Program Element (21.35).

ACTION REQUIRED

As soon as possible, JVP staff will take actions to direct CSI to remit future room and board reimbursements for inmates employed by a JVP employer to the respective RAO or HASS, as appropriate. Attachment 2 identifies the relation between each RAO and the Institutions served.

The Budget Management Branch (BMB) must provide appropriate Reimbursement allotments to institutions Facilities Operations (Program Element 21.20.050), and CCFs (Program Element 21.35) hosting JVP employers.

RAOs must add new Program Cost Account (PCA) codes shown below, and Agency Source code 991937.71 Room and Board, and follow procedures to receipt and account for room and board reimbursements. Attachment 1 contains a copy of the expenditure PCA 72535 and receipt PCA 12535 tables that need to be established.

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As the reimbursements are received, RAOs must move expenditures for the amount received from PCA 22050 to PCA 72535, using Object Detail Code 358 Facilities Operations – NOC - Services. Record reimbursement receipts in PCA 12535 and Agency Source 991937.71 Room and Board.

Currently, the HASS follows similar procedures for accounting reimbursements received related to JVP inmates in CCFs. The HASS should continue those procedures, using the CCF PCAs to record the expenditure adjustment.

If you have further questions regarding Joint Venture Program operations, please contact J. R. Griggs at (916) 327-2192. Questions regarding accounting operations should be addressed to Paul Thatcher, Chief, Accounting Policies and Procedures Section at (916) 323-6051.

ORIGINAL SIGNED BY

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Financial Services Division

Attachments

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Institutions Division Regional Administrators
Wardens
Community Correctional Facilities Administration
J. R. Griggs, Joint Venture Program
William B. Dougherty, Accounting Management Branch
Kim Garcia, Regional Accounting – North
Tim Gilpin, Regional Accounting – South
Paul Thatcher, Accounting Policies and Procedures Section

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Attachment 1 – PCA Codes
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EXPENDITURE PCA

PROGRAM COST ACCOUNT TABLE MAINTENANCE/INQUIRY CHANGE DATE: 06/15/04

FUNCTION: (A=ADD, C=CHNG, D=DEL, G=GEN, P=PRT, S=PRT FFY, X=DEL FFY,
F5=VIEW MASTER, F6=RECALL MAINT, F10=DEL MAINT)

ORG CODE: 52XX FFY: 04 PCA NUMBER: **72535**
PCA TYPE: 1 TITLE: JOINT VENTURE ROOM AND BOARD
PROGRAM: 21 ELEMENT: 20 COMPONENT: 050 TASK: PCA LEVEL 1:
LOCATION: PROJECT NO: WORK PHASE:
APPROPRIATION SYM: 900 FUND SOURCE: D FUND: 0001 FUND DTL: APPN METHOD: 1
ALLOTMENT PGM LEVEL IND: 1 CFIS PGM LEVEL IND: 1 ACTIVE/INACTIVE IND: 0
APPN FUND FUND FUND PROJECT WORK
SYMBOL SOURCE FUND DETAIL METHOD SPLIT NUMBER PHASE
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RECEIPT PCA

PROGRAM COST ACCOUNT TABLE MAINTENANCE/INQUIRY CHANGE DATE: 06/15/04

FUNCTION: (A=ADD, C=CHNG, D=DEL, G=GEN, P=PRT, S=PRT FFY, X=DEL FFY,
F5=VIEW MASTER, F6=RECALL MAINT, F10=DEL MAINT)

ORG CODE: 52XX FFY: 04 PCA NUMBER: **12535**
PCA TYPE: 1 TITLE: JOINT VENTURE ROOM AND BOARD
PROGRAM: 21 ELEMENT: 20 COMPONENT: 050 TASK: PCA LEVEL 1:
LOCATION: PROJECT NO: WORK PHASE:
APPROPRIATION SYM: 190 FUND SOURCE: R FUND: 0001 FUND DTL: APPN METHOD: 1
ALLOTMENT PGM LEVEL IND: 0 CFIS PGM LEVEL IND: 1 ACTIVE/INACTIVE IND: 0
APPN FUND FUND FUND PROJECT WORK
SYMBOL SOURCE FUND DETAIL METHOD SPLIT NUMBER PHASE
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Joint Venture Room and Board Reimbursement Accounting
Attachment 2 – Regional Accounting Office/Institution

Headquarters Accounting Services Section (5280)

Community Correctional Facilities

Corcoran Region (5281)

Valley State Prison for Women

California Substance Abuse Treatment Facility & State Prison

California State Prison—Corcoran

Central California Women's Facility

El Centro Region (5282)

Centinela State Prison

Chuckawalla Valley State Prison

Ironwood State Prison

Calipatria State Prison

Bakersfield Region (5283)

California Correctional Institution

California State Prison--Los Angeles County

Wasco State Prison

North Kern State Prison

Delano II

Sacramento Region (5284)

California Correctional Center

High Desert State Prison

California State Prison--Sacramento County

Folsom State Prison

North Coast Region (5285)

California Medical Facility

California State Prison--Solano County

Pelican Bay State Prison

California State Prison--San Quentin

Central Coast Region (5286)

Salinas Valley State Prison

California Men's Colony

Pleasant Valley State Prison

Avenal State Prison

Correctional Training Facility

Southern California Region (5287)

California Institution for Men

California Institution for Women

California Rehabilitation Center

R. J. Donovan Correctional Facility

Central Valley Region (5288)

Mule Creek State Prison

Deuel Vocational Institution

DVI East Reception Center - 2003/04

Sierra Conservation Center